

Message Text

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ACTION OES-02

INFO OCT-01 SS-14 ISO-00 EUR-08 ARA-06 L-01 NSC-05 NSCE-00

INR-05 CIAE-00 SP-02 EB-03 PM-03 RSC-01 /051 W

----- 104445

R 091243Z JAN 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 7157

INFO AMEMBASSY BRASILIA

AMEMBASSY BUENOS AIRES

USMISSION EC BRUSSELS

USMISSION IAEA VIENNA

AMCONSUL RIO DE JANEIRO

C O N F I D E N T I A L SECTION 01 OF 02 BONN 00332

LIMDIS

E.O. 11652 GDS

TAGS: TECH, BR, GW

SUBJECT: FRG SALE OF NUCLEAR TECHNOLOGY TO BRAZIL

REF: A. STATE 01068, B. BONN 19502

1. SUMMARY. REF A WESTINGHOUSE INFORMATION NOTWITHSTANDING, THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY HAS NOT RPT NOT YET SIGNED A FORMAL AGREEMENT WITH BRAZIL COVERING THE TRANSFER OF NUCLEAR TECHNOLOGY. END S//MMARY.

2. EMBASSY S&T COUNSELOR DISCUSSED CURRENT STATUS OF GERMAN SALES EFFORT IN BRAZIL WITH TWO SENIOR OFFICIALS OF THE FRG MINISTRY FOR RESEARCH AND TECHNOLOGY. BOTH EMPHATICALLY AND REPEATEDLY DENIED ANY IMPLICATION THAT FRG HAS SIGNED A FORMAL AGREEMENT WITH THE GOVERNMENT OF BRAZIL FOR THE TRANSFER OF NUCLEAR TECHNOLOGY. EMB-OFF EXPLORED POSSIBILITY THAT A "PROTOCOL" OR SOME OTHER LESS FORMAL PIECE OF PAPER HAD BEEN INITIALED OR
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SIGNED, SENIOR TECHMIN REP - - WHO WOULD CERTAINLY BE

AWARE OF ANY SUCH DOCUMENT - - FLATLY STATED,
"NOTHING HAS BEEN SIGNED"

3. TECHMIN OFFICIAL ADDED THAT THE QUESTION OF WHETHER THERE WILL BE A "GOVERNMENT-GOVERNMENT" AGREEMENT AT ALL IS STILL OPEN. IF SUCH AN AGREEMENT PROVES NECESSARY, IT WOULD DEAL ONLY WITH SAFEGUARDS MATTERS. THIS DECISION HAS BEEN MADE BY THE RESPONSIBLE MINISTERS OF THE FRG.

4. TECHMIN REP CONFIRMED REF B REPORT THAT FRG HAS DEVELOPED "GUIDELINES" FOR ITS INDUSTRY IN THE CONTINUING NEGOTIATIONS. IF BRAZIL AND THE FRG AGREE TO COOPERATE, THERE WILL CERTAINLY BE AGREEMENTS AMONG THE INDUSTRIES INVOLVED. IN RESPONSE TO A DIRECT QUESTION, TECHMIN REP RESPONDED THAT, SO FAR AS HE WAS AWARE AT PRESENT TIME, GERMAN INDUSTRIES HAD NOT RPT NOT SIGNED ANY AGREEMENTS CONCERNING NUCLEAR TECHNOLOGY FOR BRAZIL. HE BELIEVED GERMAN FIRM URANGESELLSCHAFT HAD WORKED OUT A DRAFT AGREEMENT ABOUT NATURAL URANIUM SUPPLIES, BUT NOTHING HAD BEEN SIGNED.

5. THE VISIT TO THE FRG OF BRAZILIAN MINISTER UEKI WAS, ACCORDING TO TECHMIN REP, PERSONAL NOT RPT NOT OFFICIAL. THE GERMAN NUCLEAR POWER FIRM, KRAFTWERK-UNION (KWU) HAD ACTED AS HIS HOST. UEKI HAD AN INFORMAL MEETING WITH STAATSSSEKRETAER (DEPUTY MINISTER) SACHS IN THE FOREIGN OFFICE, WHO HAD VISITED BRAZIL EARLIER, BUT NO "OFFICIAL" CONTACTS WITH THE FRG. TECHMIN REP REITERATED THAT NOTHING WAS SIGNED.

6. TECHMIN REP MENTIONED THAT FRG HAS HEARD RUMORS THAT USG HAS MADE A FORMAL OFFER TO BRAZIL TO ASSIST THE AMERICAN NUCLEAR INDUSTRY IN ITS SALES EFFORTS IN BRAZIL.

7. EMBASSY COMMENT: WE ACCEPT THE UNEQUIVOCAL ASSERTION THAT NO GOVERNMENT-GOVERNMENT AGREEMENT BETWEEN THE FRG AND BRAZIL HAS YET BEEN SIGNED.
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THESE NEGOTIATIONS ARE OBVIOUSLY COMPLEX AND INVOLVE CONSORTIA OF INDUSTRIES ON BOTH SIDES. THE REPORTED "PROTOCOL" MAY BE AN UNDERSTANDING AMONG THE INDUSTRIES ABOUT THE FACILITIES AND TECHNOLOGIES WHICH ARE TO BE THE SUBJECT OF CONTINUING NEGOTIATION INCLUDING, FOR EXAMPLE, THE NEGOTIATING "GUIDELINES" DEVELOPED BY THE FRG FOR ITS INDUSTRIES. OUR CONTACTS AGAIN REFUSED TO DISCUSS COMMERCIALY-

SENSITIVE DETAILS OF THESE NEGOTIATIONS.

8. RE PARA 2, REF A: WE AGREE. HERMES' REMARKS
REPORTED REF B REFLECT EFFORTS BY OPPONENTS OF NPT

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C O N F I D E N T I A L SECTION 02 OF 02 BONN 00332

LIMDIS

TO WEAKEN FOREIGN OFFICE SUPPORT FOR SAFEGUARDS AND
TO CONFUSE THE ISSUES. THE NPT COULD ONLY BE
SERIOUSLY JEOPARDIZED BY THIS US-FRG COMMERCIAL
COMPETITION IF GERMAN OPPONENTS OF NPT COULD
CONVINCINGLY DEMONSTRATE THAT THE SAFEGUARDS
REQUIREMENTS HAD BEEN USED BY THE USG TO DELAY THE
NEGOTIATIONS, OR TO GAIN INSIDE INFORMATION, FOR
THE BENEFIT OF AMERICAN INDUSTRY. THE INFORMATION
REPORTED HERE, AND IN EARLIER CABLES, WAS OBTAINED
WITH THE UNDERSTANDING THAT OUR INTEREST WAS NOT
MOTIVATED BY COMMERCIAL CONSIDERATIONS AND SHOULD
BE USED ACCORDINGLY.

9. IN A SEPARATE CONVERSATION WITH TECHNOLOGY MINISTRY
OFFICIALS, EMBASSY'S ECONOMIC/COMMERCIAL MINISTER

EXPRESSED THE STRONG HOPE THAT USG AND FRG KEEP EACH
OTHER CURRENTLY INFORMED ABOUT THE STATUS OF NUCLEAR
EXPORT NEGOTIATIONS TO AVOID PRESSURES BASED ON RUMORS
FROM OUR RESPECTIVE INDUSTRIES FOR GOVERNMENTAL ACTIONS
WHICH MIGHT BE INCONSISTENT WITH OTHER
OVER-RIDING POLICY CONSIDERATIONS SUCH AS
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NON-PROLIFERATION OF NUCLEAR WEAPONS TECHNOLOGY.
ON THIS OCCASION, AS IN THE CONVERSATIONS REPORTED
ABOVE, MANY OF OUR QUESTIONS WERE RESISTED AS
BETTER TOPICS FOR MORE FORMAL, CONFIDENTIAL US-FRG
SAFEGUARDS CONSULTATIONS. TO AVOID THE PROBLEM
MENTIONED IN PARA 2, REF A, I.E. FRG APPROVAL FOR
EXPORT OF SENSITIVE NUCLEAR TECHNOLOGY TO GAIN
COMMERCIAL ADVANTAGE OVER THE U.S., WE URGE THAT
THESE CONSULTATIONS BEGIN ASAP.

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NUCLEAR AGREEMENTS, NUCLEAR PROLIFERATION, NUCLEAR COOPERATION PROGRAMS, NUCLEAR SAFEGUARDS, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Draft Date: 09 JAN 1975
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BONN00332
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750008-1217
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750167/aaaacgpk.tel
Line Count: 191
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION OES
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: 75 STATE 01068, 75 BONN 19502
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 21 MAR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 MAR 2003 by CunninFX>; APPROVED <15 SEP 2003 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FRG SALE OF NUCLEAR TECHNOLOGY TO BRAZIL
TAGS: TECH, BR, GE, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006